

WAES needs your help to solve Wisconsin's school-funding problem



Wisconsin Alliance
for Excellent Schools

Wisconsin's school-funding system is hurting children and communities all over the state, and now parents, educators, students, businesspeople, and citizens can do something about it. Join the Wisconsin Alliance for Excellent Schools (WAES) to fix the problem and speak with one voice for all of our children.

- WAES believes all children can learn at a high level.
- WAES believes that all children have a constitutional right to an excellent public education.
- WAES believes that the state plays a critical role in fulfilling the promise of educational excellence all Wisconsin's children can learn at high levels.
- WAES believes that the present school-funding system stands in the way of that promise.
- WAES believes that school districts have found efficiencies and shaved expenses, and they are now cutting essential programs and services just to live within the state-mandated and arbitrary funding formula.
- WAES believes that Wisconsin needs a new funding formula that provides all school districts with enough resources so all children can achieve the state's high academic standards.
- WAES believes in holding the line on local property taxes.
- WAES believes in comprehensive tax reform in which those who use Wisconsin's public services pay their fair share for those services.
- WAES believes that the way to win school-funding reform and tax fairness is by working with communities all over the state to help their citizens gain the knowledge necessary to make them valuable partners in the making of public policy.

Join WAES to have a say in school-funding reform.

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- WAES was formed in 2000 as a broad-based, statewide, diverse coalition that believed in the need for comprehensive school-funding reform.
- Once a project of the Institute for Wisconsin's Future, WAES is now an independent 501(c)(3). At the time the "new WAES" formed, the coalition included scores of individuals and over 150 school districts, teachers' unions, parents groups, student organizations, civic and faith-based groups, and statewide organizations.
- In 2002, IWF/WAES pioneered research in Wisconsin to determine the cost of an excellent education for every child in the state.
- In 2004, IWF/WAES introduced the *Wisconsin Adequacy Plan*, comprehensive school-funding reform designed to give every a chance to achieve academic excellence. The plan will be introduced to the Legislature in November of 2007.
- WAES provides community outreach around Wisconsin to raise public awareness of the present funding system and build support for comprehensive reform. This outreach includes presentations, reports and studies, public events, and forums.
- WAES is the only broad-based coalition working for funding reform. Its strength is its diversity, and the coalition brings its member communities together to work with legislators and other policymakers for school-funding reform.
- WAES is guided by a board of directors and is funded by grants, donations, and a dues-paying membership.

Join WAES to have a say in school-funding reform.

Groups Endorsing WAES Core Principles

SCHOOL DISTRICTS (69)

Antigo
Appleton Area
Ashland
Baraboo
Barron Area
Bayfield
Beaver Dam
Beecher-Dunbar-Pembin
Benton
Birchwood
Blair-Taylor
Butternut
Cameron
Cochrane-Fountain City
Columbus
Crandon

Cuba City
Drummond
Elcho
Evansville Community
Florence
Galeville-Ettrick-Trempealeau
Glidden
Goodman-Armstrong Creek
Green Bay
Hayward Community
Hurley
Janesville
Lake Holcombe
Laona
Madison Metropolitan
Maple
Marinette
Markesan

Mellen
Mercer
Middleton-Cross Plains Area
Milwaukee
Minocqua J1
Niagara
Northwood
Oconto Falls
Palmyra-Eagle
Park Falls
Pepin
Pecatonica
Phillips
Platteville
Port Edwards
Potosi
Racine Unified
Rhineland

River Valley
Shell Lake School District
Solon Springs
South Shore
Southwestern Wisconsin
Stevens Point Area
Sturgeon Bay
Superior
Three Lakes
Tigerton
Tri County Area
Washburn
Washington Island
West Allis-West Milwaukee
Weyerhaeuser Area
White Lake
Winter

TEACHER ORGANIZATIONS (32)

AFT Wisconsin
Appleton Education Association
Belmont Teachers Association
Beloit Education Association
Capital Area UniServ North
Capital Area UniServ South
Eau Claire Association of Educators
Fond du Lac Area Retired Educator's Association
Green Bay Education Association
Greendale Education Association
Johnson Creek Education Association
Kenosha Education Association
Lakewood UniServ Council
Madison Area Retired Educators Association
Madison Teachers Inc.
Milwaukee Teachers Education Association
Nicolet/Oconto Retired Teachers' Association
Northern Tier Uniserv
Racine Area Retired Educators Association
Rhineland Education Association
Rock Valley United Teachers
Rock Valley United Teachers-Retired
South Central Education Association
Southern Lakes United Educators Uniserve
Superior Federation of Teachers
United Lakewood Educators-Watertown
WEAC-Wisconsin Education Association Council
WEAC-Fox Valley Uniserv
West Allis-West Milwaukee Education Association
West Central Education Association
West Suburban Council Uniserve
Wisconsin Retired Educators Association

PROFESSIONAL ORGANIZATIONS (6)

Disability Rights Wisconsin
Survival Coalition of WI Disability Organizations
Task Force on Special Education and Supportive Services (Milwaukee Public Schools)
Wisconsin Association of School Nurses
Wisconsin Association for Talented and Gifted
Wisconsin FACETS

CIVIC AND FAITH-BASED ORGANIZATIONS (17)

Dane County SOS Senior Council
Democratic Party of Oneida County
Grassroots of Waukesha County
Hispanic Chamber of Commerce of Wisconsin
Institute for Wisconsin's Future
Japanese American Citizens League
League of Women Voters of Wisconsin
Milwaukee Chapter, American Jewish Committee
Milwaukee Inner City Congregations Allied for Hope (MICA)
NAACP, Milwaukee Branch
Price County Citizens Who CARE
Racine Interfaith Coalition (RIC)
RVReferendum.org (River Valley)
Save our School, LaPointe residents of the Bayfield School District
Wisconsin Organization for Asian Americans
Wisconsin Rural Challenge
WISDOM

PARENT ORGANIZATIONS (20)

abcmadison
Advocates for Madison Public Schools
Amy Belle PTA (Germantown)
Ben Franklin Elementary School PTA (Menomonee Falls)
Cochrane-Fountain City Parent Teacher Organization
Dover PTA (Milwaukee)
Elm Creative Arts PTA (Milwaukee)
Four Corners Elementary PTA (Superior)
Janesville Area PTA Council
Milwaukee City Council PTA/PTSA Board of Directors
Oconomowoc Middle School/High School PTSA
Pecatonica PTA
Project ABC
Riverside PTSA (Milwaukee)
Roosevelt PTA (Racine)
School District of Spooner PTA
Trempealeau Elementary PTO (Galeville-Ettrick-Trempealeau)
West Allis-West Milwaukee PTA Council
West Ridge Elementary PTA, Inc. (Racine)
Wisconsin PTA

STUDENT ORGANIZATIONS (6)

James Madison Memorial High School Student Senate (Madison)
Madison West High School Senate
Madison Metropolitan School District Student Senate
Stevens Point Student Senate
Student Advocates for Waukesha Schools
Youth ROC (Reclaiming our Communities)



Wisconsin Alliance
for Excellent Schools

The Wisconsin Alliance for Excellent Schools (WAES) is a diverse, statewide coalition that is working for comprehensive school funding reform.

WAES Core Principles

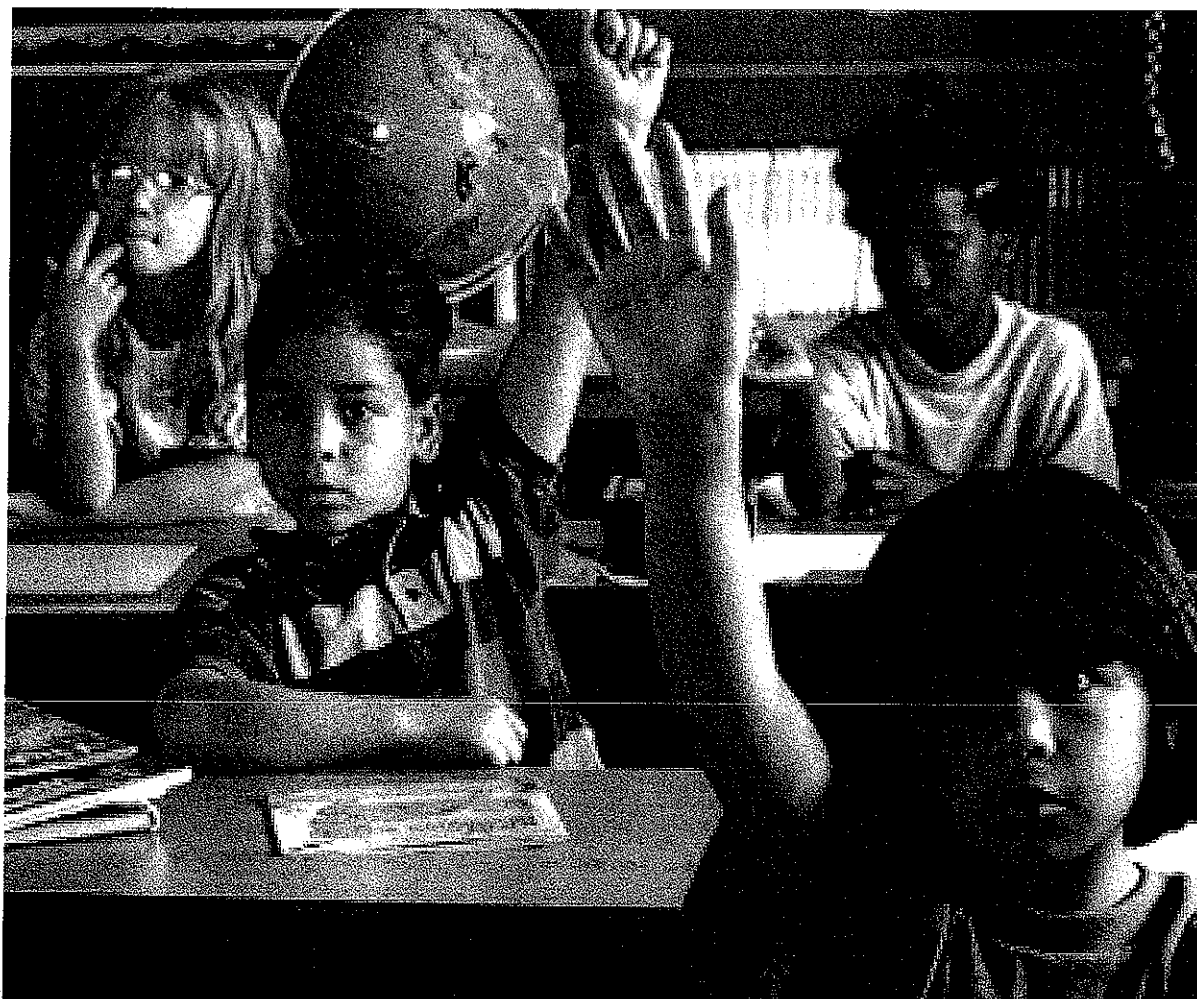
- 1. SUFFICIENT RESOURCES** Wisconsin's public schools need a system of funding that provides all children with the resources needed to provide them with the equal opportunity for a quality education guaranteed by the Wisconsin Constitution, the Supreme Court and federal and state statutes.
- 2. RESOURCES SHOULD BE LINKED TO HIGH STANDARDS** A new system of funding should guarantee a base amount of resources to educate regular students to high standards and also provide enough resources to give the same opportunity to meet high standards to children with special education needs, those who live in poverty, students with limited English skills, and those with special needs determined by the size, location, and/or demographics of their school districts.
- 3. STATE TAX REFORM** New resources as part of school-funding reform should come from statewide-rather than local-taxes in a way that lowers property taxes while increasing fairness to all taxpayers.
- 4. LOCAL CONTROL** A new system should build on Wisconsin's successful tradition of local control by trusting individual communities to decide how additional funding will be utilized and by assuring accountability for improved student performance.

Organizations endorsing the WAES principles are listed on the reverse of this sheet.

1717 South 12th Street #203 ♦ Milwaukee, Wisconsin 53204-3300 ♦ phone: 414-384-9094

fax: 414-384-9098

E-mail: info@excellentschools.org ♦ website: www.excellentschools.org



FUNDING OUR FUTURE

An Adequacy Model for Wisconsin School Finance

The way Wisconsin currently funds its public schools is broken beyond repair. Adequacy is a new finance system, which links spending to the state's educational goals and students' real needs. Adequacy asks what resources are necessary for children to attain the high standards set by parents and taxpayers, and it ensures all schools can provide those resources. Adequacy recognizes that children face different challenges, and it meets those diverse needs. Adequacy is our best investment in Wisconsin's future.



INSTITUTE FOR WISCONSIN'S FUTURE
policy research in the public interest

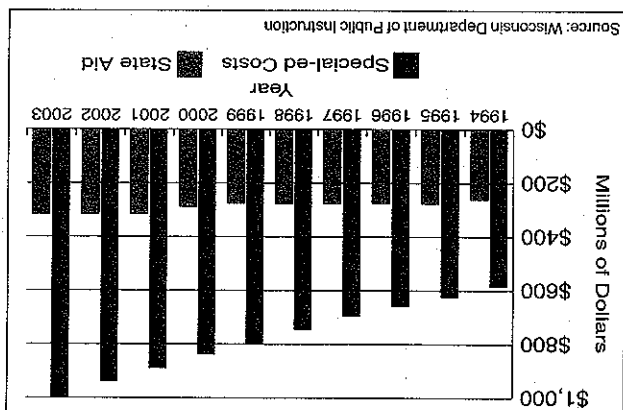
Wisconsin's Public Schools Face Financial Crisis

Under the current finance system, district revenues are being squeezed, school budgets are being cut, and children are being cheated. School boards have had to fire teachers and other staff. Arts, music, extra-curricular activities, summer school, programs for at-risk youth, maintenance, textbook purchases, libraries, and technology – all have been cut or postponed in districts throughout the state. Financial hardship has hit schools in every part of Wisconsin. “My time on the school board has been less making the best possible education for our students and more concerned with doing the least possible damage,” said Superior School Board President David Tunell.

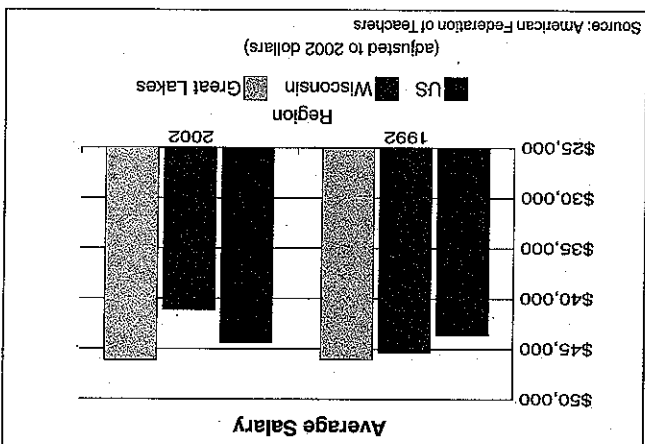
with doing the least possible damage," said Superior School Board President David Tunell.

State Aid for Special Needs Lags

State Aid for Special Needs Lags



Wisconsin Teacher Salaries Plummet



to keep taxes lower, state law restricts raises for teachers. The result: Teacher wages in Wisconsin have fallen since the early 1990's (taking inflation into account). They're now below the national average and the average for neighboring states. It is more and more difficult to attract and keep teaching staff.

What Is Adequacy?

Adequacy Links Spending to Education Goals

Adequacy is a new approach to funding public schools. It has been used in a growing number of states during the past decade, but not yet in Wisconsin.

Most discussion of school finance in Wisconsin is motivated by politics and taxes, not the needs of students. Adequacy starts from the common-sense viewpoint that a public school funding system should be based on the state's educational goals.

Adequacy asks: What academic standards do we want our

children to achieve? What resources do schools need so all students have an equal chance of achieving success? What staff, what materials, what courses, what kind of management structures are needed?

An Adequacy system then determines how much money should be spent, based on the actual cost of those resources.

An Adequacy approach to school finance is designed from the ground up to create real links among educational goals, resource standards, and funding for schools.

What Adequacy Is Not

Adequacy is not equity. For many years, reformers tried to bring equity to school funding. Equity by itself does not improve schools. An equal amount of too little money is not enough.

Children don't all come to school equally ready to learn. Adequacy provides the right resources for each child.

Adequacy is not a limit on local control. Adequacy sets spending floors, not ceilings, leaving districts to raise more.

Adequacy calculates funding levels by using resource standards, but school districts can use the money as they choose.

Four Steps to Adequacy

1. Set academic goals, using 1998 state standards or local school board standards.
2. Determine what resources are needed for schools to meet those goals.
3. Price those resources, to determine the necessary level of spending.
4. If the required level of spending is too high to be affordable, then either go back to the original standards and lower them, or create a long-term plan to gradually obtain the funds.

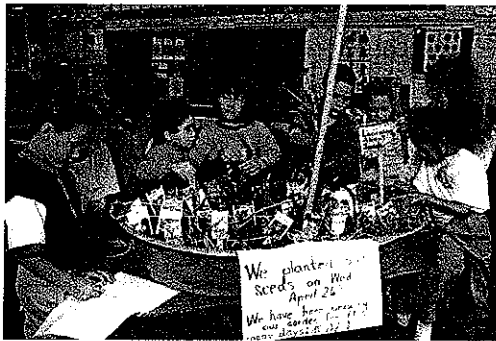
How Adequacy Resource Standards Were Developed

The Wisconsin Adequacy Resource Standards were developed by a team of experts in education, finance, and policy. The team included representatives from the Wisconsin Department of Education, the Wisconsin Department of Finance, and the Wisconsin Legislative Council. The team conducted extensive research and consultation with school districts, higher education, and the public. The standards were developed to ensure that all students have access to the resources needed to achieve the state's educational goals. The standards are based on the state's educational goals, the costs of the resources needed to achieve those goals, and the state's ability to fund those resources. The standards are designed to be flexible and to allow for local variation. The standards are also designed to be transparent and to allow for public input. The standards are the foundation of the Wisconsin Adequacy system.

Adequately Funded Schools Won't Hike Property Taxes

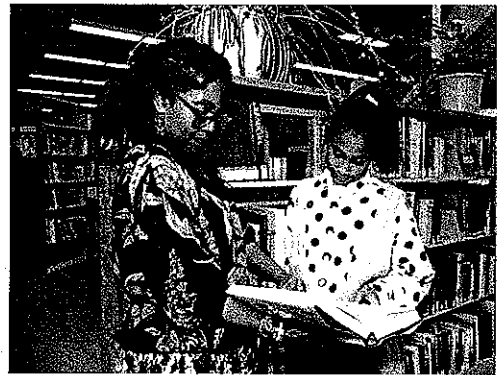
The additional money needed to adequately fund public schools shouldn't come from the local property tax. On the contrary, one goal of school-finance reform is lowering property taxes. According to Wisconsin's Constitution, the state has a fundamental obligation to fund public education, and the state – rather than local governments such as school districts – should find the revenue needed both to lower property taxes and adequately fund schools.

What Is Needed for a Good School?



SMALL CLASSES

Kindergarten - Third Grade: 20 students at most, 15 in high-poverty schools
Fourth - Fifth Grades: 22 students at most
Sixth - Twelfth Grades: 25 students at most



QUALIFIED, WELL-PAID TEACHERS

Teacher Training: Average of one period daily per teacher for training; staff development coordinator in each school

Wages: 5% raise to bring teacher salaries above national average; bonuses for teachers in high-poverty and rural schools

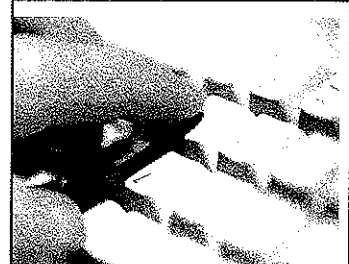


SMALL SCHOOLS

Elementary Schools: 350 students at most
Middle Schools: 500 students at most
High Schools: 800 students at most

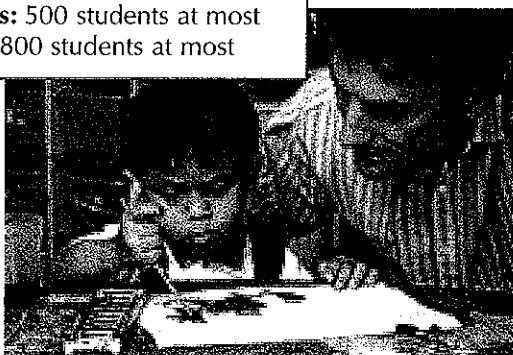


Parent outreach staff in each school



UP-TO-DATE TECHNOLOGY

All Schools: Five computers for every twenty students; technical staff to maintain and upgrade equipment and train staff and students



EXTRA AID FOR SPECIAL NEEDS

Students With Disabilities Or With Limited English: Full reimbursement to schools
Students In Poverty: Tutoring and enrichment programs, summer school, all-day four-year-old kindergarten

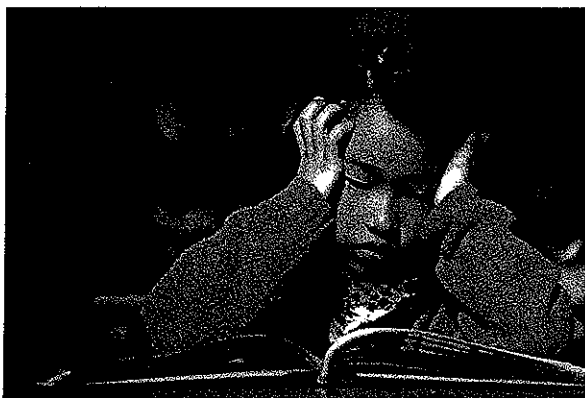


BROAD CURRICULUM

All Grades: Art, music, foreign languages
High Schools: Advanced courses in core subjects

Why Wisconsin Needs Adequacy

An Adequacy Funding System Is Fair, Clear, and Effective



The system now in use to fund public schools no longer works. Too many schools are short of funds, and too many children's needs are unmet. For a decade, school districts have operated under spending caps that have limited revenues. Schools can't keep up with rising costs. The state's failure to pay for special-needs students has made the situation worse.

In addition, the system is so complicated that trying to fix one problem can create new difficulties. Fine-tuning is impossible.

The biggest problem is that the current system bases spending for one year on what was spent the year before. And the budget for the year before is based on the year before that. There is no meaningful connection in this system between how much money districts have, and what they actually need to be effective.

Wisconsin has a finance system without links to educational goals and practices. Wisconsin needs a finance system linked directly to the goals of education and the resources needed to achieve them – an Adequacy system.

Adequacy and the Wisconsin Supreme Court

Wisconsin's Supreme Court decided an important case, *Vincent v. Voight*, in 2000. The Court ruled the current system legal, in a lawsuit not based on Adequacy. But the Court said it would look to Adequacy in the future, and wrote a new standard for school finance...

...What the Court wrote:

"Courts have turned toward adequacy as an alternative way to analyze school finance because the previous decisions centered on equality have not lessened the disparity between school districts..."

"We further hold that Wisconsin students have a fundamental right to an equal opportunity for a sound basic education... that will equip students for their roles as citizens and enable them to succeed economically and personally..."

"So long as the legislature is providing sufficient resources so that school districts offer students the equal opportunity for a sound basic education as required by the constitution, the state school system will pass constitutional muster."

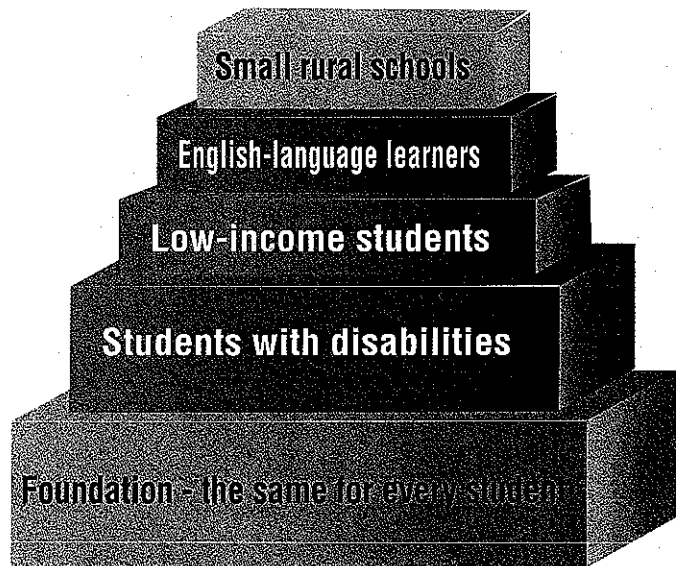
Adequacy Requires Increased State Investment

A Gradual Phase-In Is Best for Taxpayers and for Schools

How much does it cost for all Wisconsin schools to have the resources needed to give every student an equal opportunity for a sound basic education as required by the state Constitution?

Based on an Adequacy model—a model that takes into account the state's academic standards and the special circumstances of every child—it's more than we are investing in our children now. The increased investment buys smaller learning environments, smaller classes, improved teaching, programs for the arts, advanced courses, modern technology, and more resources for special needs students.

The promise of Adequacy is that every school gets the resources it needs to educate the children it has. Some students need more resources, especially students with disabilities, children with limited knowledge of the English language, students from poorer families, and children who attend school in small and rural districts. Schools would get the right amount of money unique to the needs of the students who come through the door.



Can We Afford Adequacy?

Can Wisconsin Afford *Not* to Have Adequacy?

"Unquestionably, the cost to fix the system is high. The cost of not fixing it will be much higher. Uneducated citizens will extract extremely high social costs in the future. As the mechanic on television says, 'You can pay me now or pay me later.'"

*William A. Bablitch, Justice of the Wisconsin Supreme Court
Vincent v. Voight, 2000*

If Wisconsin wants a world-class economy in the 21st century, Wisconsin needs a world-class public school system for our future leaders, workers, and citizens.

Wisconsin has limited tax dollars to spend. It will be necessary to phase in an Adequacy program. That makes it more affordable, and gives schools time to make best use of new resources.

Over time, schools will be able to give every student an equal opportunity for success – a Wisconsin constitutional requirement.



INSTITUTE FOR WISCONSIN'S FUTURE 1717 South 12th Street #203 Milwaukee, WI 53204-3300

Phone 414-384-9094 - Fax 414-384-9098 - Web www.wisconsinsfuture.org - Email iwf@wisconsinsfuture.org

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Communities are children's best advocates

Protect them and their education

Be informed about school funding and Sign up for your free e-mail newsletter

The citizens of Wisconsin know that **many of our schools are in trouble because of inadequate revenue and resources.** During the past decade, services have been cut, curriculum has been limited, teachers have been laid off, buildings have not been maintained, and schools have been closed.

We need to work together to change the way schools are funded. **The first step is to acquire the knowledge we need** to understand the present system, learn about the alternatives, and discover opportunities to work for change.

The Wisconsin Alliance for Excellent Schools (WAES) offers that **opportunity for knowledge through its weekly e-mail "School-funding Update."** You will read about school-finance news in Wisconsin and nationally, the latest research and events where you can get involved.

Many community organizations are partners in WAES. They encourage you to sign up for the "School-funding Update." **You can begin receiving it by completing and returning the attached coupon.**

Please sign me up for the WAES e-mail "School-funding Update"

Name: _____

Address: _____

Your school district: _____

Telephone: _____ E-mail address: _____

How to return this coupon:

- Mail this coupon to Tom Beebe, Institute for Wisconsin's Future, 1717 S. 12th Street #203, Milwaukee, WI 53204
- Fax this coupon to Tom Beebe at 414-384-9098
- E-mail the information to tbeebe@wisconsinsfuture.org

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Solving Wisconsin's school-funding problem

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The Institute for Wisconsin's Future (IWF) and the Wisconsin Alliance for Excellent Schools (WAES) are offering a free seminar for school and community groups, business and industry, and parent and senior citizen organizations on the public school funding crisis in Wisconsin. This workshop provides a statewide overview of the state's school funding challenge and an alternative method to guarantee educational opportunities for all children.

What is this free workshop about?

Solving Wisconsin's school-funding problem is designed to be short, clear, and relevant to groups across the state. It can be tailored to your community and timeframe, and the presentation is aimed at taking action to reform how we fund our public schools. The presentation reviews:

- ⇒ The challenges facing Wisconsin's children and schools
- ⇒ How schools are funded
- ⇒ How districts are coping with revenue problems
- ⇒ What we expect from our schools
- ⇒ A new idea—adequate funding for all children
- ⇒ Investing in the futures of our children and schools



What does it include?

- ☑ Communities throughout Wisconsin have educational values. They expect their children to receive excellent educational opportunities. These values and opportunities are now threatened because of revenue shortfalls.
- ☑ The next component of the workshop is a review of how schools are funded. This segment examines concepts such as revenue limits and the myth of 2/3 state funding.
- ☑ We look closely at how local school boards are dealing with funding problems, including reducing staff, increasing class size, limiting opportunities, and postponing maintenance.
- ☑ We expect a lot from our students and schools, so we'll take a look at the standards and goals of the Supreme Court, the Legislature, parents, the Department of Public Instruction, and the federal government's No Child Left Behind act.
- ☑ There is a simple, fair, common-sense way to fund our public schools. Adequacy determines what resources are needed to produce specific academic results.
- ☑ If education is a priority in Wisconsin, then it's time to invest in that priority, so let's talk about what you can do make school funding reform a reality.

What is IWF and why are they doing this?

IWF is a statewide policy research and community information center established in 1994 to increase public awareness about key policy issues in Wisconsin. Over the past decade, IWF has completed 30 research reports on wages, welfare, housing, taxes, and education. IWF also coordinated many major conferences, held 300 workshops, and talked to thousands of other Wisconsinites through newsletters and the media. IWF is non-profit and non-partisan.

In the area of education, IWF and WAES work with partners throughout the state to reform Wisconsin's school-funding system based on providing adequate resources to give all children, no matter what their special needs or where they live, the opportunity to succeed.

What do I need to do?

Please arrange for IWF to be on the agenda of regularly scheduled meetings of the school board, parent organizations, business, civic, and religious groups - groups that have a stake in the quality of public education. Return the bottom section or call Tom Beebe (tbeebe@wisconsinsfuture.org) at 414-384-9094 to schedule a presentation.

Who should I contact?

For more information on IWF's education outreach efforts, see our websites at www.wisconsinsfuture.org or www.excellentschools.org. To arrange for a presentation, contact:

Tom Beebe, Education Outreach Specialist

Institute for Wisconsin's Future

1717 South 12th Street #203 ♦ Milwaukee, Wisconsin 53204-3300 ♦ phone: 414-384-9094

fax: 414-384-9098

E-mail: tbeebe@excellentschools.org ♦ website: www.excellentschools.org

I am interested in scheduling the presentation for my organization!

Name _____

Address _____

Daytime Phone () School District _____

Organization _____

I hope to schedule the presentation for the month of : _____

I can't schedule a presentation at this time. Here are some other possible groups in my area.

Group Name _____

Contact person _____ Phone () _____

Group Name _____

Contact person _____ Phone () _____

Death by a Thousand Cuts

How Wisconsin's Revenue Limits Erode the Budgets of Public Schools

November 2005

Executive Summary:

This paper reports on a survey of Wisconsin school district superintendents, conducted by the Institute for Wisconsin's Future. Superintendents were asked to calculate the gap between the district budget that is permissible under revenue limits and what it would actually cost just to maintain programming from one school year to the next.

Survey responses were received from 129 districts, whose combined enrollment of well over 400,000 students is nearly half the state total. As reported by superintendents, the median growth in budgets allowed by revenue limits is 2.5% per year. The median growth in the cost of continuing programs is 4.2% per year. This leaves a typical deficit of 1.7% of each year's budget. Without referendum approval to exceed the revenue limit, this means the typical school district cuts 1.7% each year from a cost-to-continue budget. This amounts to nearly \$400,000 in yearly cuts for an average-size district of about 2,000 students, enough to cover the cost of a number of teachers.

These deficits have been compounding through a dozen years of revenue limits, and will continue building at least through the end of the current state budget, in mid-2007. At the rate of 1.7% cut each year, a high-school senior would have almost 20% fewer dollars in resource support than when she or he started kindergarten. As one superintendent put it, there is a "collision" under way between the conflicting demands both for quality education and for reduced funding, a collision that is hurting children in Wisconsin.

In brief: the growth permissible under revenue limits is generally less than the revenue growth needed just to maintain school programs from one year to the next. This built-in structural deficit is why most school districts must cut every year.

This serious structural problem in Wisconsin's school-finance system must be fixed in the next state budget, if our state is to have the educational infrastructure essential for a prosperous 21st century.



INSTITUTE FOR WISCONSIN'S FUTURE

policy research in the public interest

Background:

Wisconsin's school revenue limits (also known as caps) were created by the Legislature in 1993. They restrict the amount of funds school districts can obtain through local property tax and state general aid. Regardless of need or local decisions, it is illegal to exceed the revenue cap unless authorized in a district-wide referendum.

Revenue caps let revenue grow based only on enrollment and/or inflation (Consumer Price Index-CPI). In effect, the caps freeze real per-pupil spending at 1993 levels. For the 2004-'05 school year, the cap allowed a revenue increase of \$241.01 per student for all districts. For the average-spending district, this amounted to 2.3% growth in revenue.

Because CPI inflation is lower than the inflation schools face — for such things as insurance, wages, fuel and textbooks — revenue limits don't provide adequate revenue growth. Revenue limits don't allow the funds needed to close achievement gaps, teach students with

special needs, or cover accelerating busing costs.

Revenue limits are especially harsh on districts with declining enrollment, because declining student rolls counter-act even modest increases in per-pupil revenue limits. This severely hurts declining-enrollment districts, which include more than 60% of all Wisconsin districts.

In short, the growth permissible under revenue limits is generally less than the revenue growth needed just to maintain school programs from one year to the next. This deficit is why most school districts must cut every year. Because the cost-to-continue exceeds revenue growth allowed by the caps, the only solution (other than referendum) is to cut staff and/or programs.

This structural deficit is well understood by school-finance insiders, but not by the public at large. Even those who understand it haven't known the statewide figures. Hence this survey, which is intended both to make the problem clear to the public and to put a number on the gap between allowable revenue growth and the cost-to-continue growth.

The Survey:

The survey was aimed at learning the typical gap between revenue growth allowed by the caps, and a district's cost-to-continue programming. If the cap allows 3% growth but 4% is needed to maintain programming, the gap is 1%.

The survey asked superintendents to indicate average annual growth in revenue limits and in the cost-to-continue. They were given the option of measuring over one year or several, and what methodology to use.

The survey was mailed to every superintendent. Replies came back from 129 districts (30% of the total),

whose combined enrollment exceeds 400,000 (more than 45% of state enrollment).

Those districts are a representative sample of all districts. They come from all 12 of the state's CESA regions for schools, and from 54 of Wisconsin's 72 counties. Median per-pupil revenue of \$10,583 among respondents is almost identical to the state average of \$10,589 in 2003-'04. Average enrollment decline during 2000-'04 was 0.2% among respondents, 0.3% statewide.

The answers are estimates, using different time frames and different methods. But taken as a group, they are a reliable measure of the impact of caps.

Responding districts:

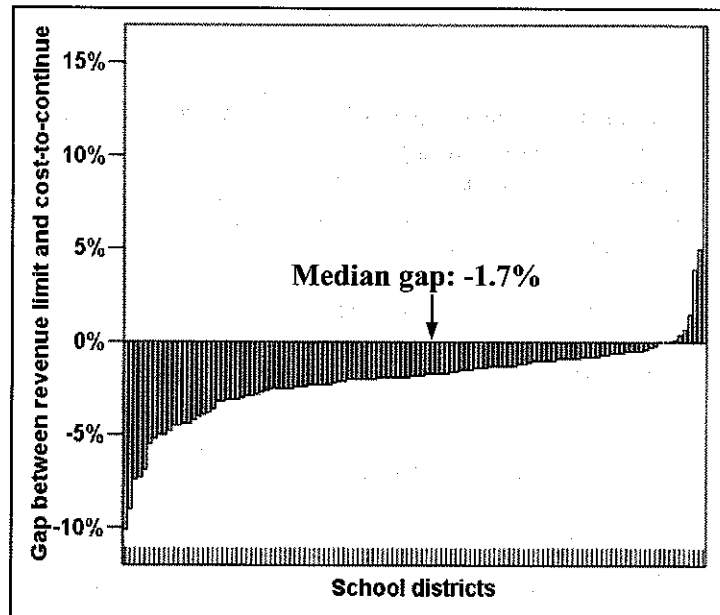
Adams-Friendship Area	Cornell	Grafton	Marinette	Phillips	Stratford
Albany	Crandon	Green Bay Area	Marshfield	Potosi	Superior
Altoona	Crivitz	Greendale	McFarland	Racine	Thorp
Amery	Cuba City	Hartford J1	Mellen	Random Lake	Three Lakes
Argyle	Cudahy	Hartland-Lakeside J3	Milwaukee	Rhineland	Tomahawk
Ashwaubenon	Cumberland	Highland	Mosinee	Rice Lake Area	Tri-County Area
Baldwin-Woodville	Deerfield Community	Holmen	Neillsville	Richmond	Twin Lakes
Baraboo	Delavan-Darien	Horicon	Nekoosa	River Ridge	Valders Area
Bayfield	Durand	Howards Grove	New Auburn	River Valley	Verona Area
Beecher-Dunbar-Pembine	East Troy Community	Independence	New Berlin	Riverdale	Waterford UHS
Beloit	Edgerton	Iola-Scandinavia	New Lisbon	Rubicon J6	Watertown
Birchwood	Elkhart Lake-Glenbeulah	Iowa-Grant	New London	Salem	Waunakee Community
Boulder Junction J1	Elkhorn Area	Janesville	Niagara	Sauk Prairie	Wausau
Cameron	Elmbrook	Kenosha	North Crawford	Seymour Community	Wausaukee
Cassville	Erin	Kickapoo Area	North Lake	Shawano-Gresham	Wautoma Area
Cedar Grove-Belgium	Fennimore Community	Ladysmith-Hawkins	Northern Ozaukee	Shell Lake	West Bend
Chetek	Flambeau	Lake Holcombe	Northland Pines	Shiocton	Wheatland J1
Chippewa Falls Area	Fond du Lac	Laona	Omro	Slinger	Whitefish Bay
Clinton Community	Fox Point J2	Linn J4	Oshkosh Area	Southern Door County	Whitewater
Colby	Gibraltar Area	Little Chute Area	Osseo-Fairchild	Stevens Point Area	Whitnall
	Gilman	Loyal	Paris J1	Stockbridge	Woodruff
		Madison Metropolitan	Pepin Area	Stoughton Area	Unknown

Results:

- The median revenue-limit increase was 2.5% per year;
- The median cost-to-continue increase was 4.2% per year;
- Leaving a gap equaling 1.7% of the annual budget.

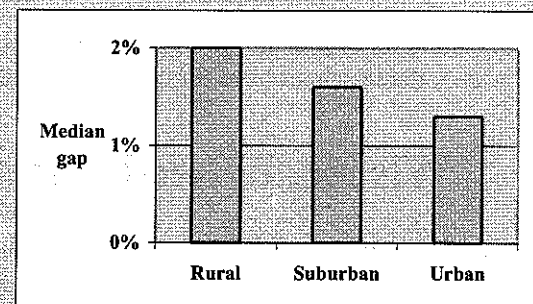
In other words, the typical school district in Wisconsin each year cuts 1.7% from a basic cost-to-continue budget.

For a district of 1,000 students, this is a cut of about \$170,000. For a district of 3,000 students, this is a cut of more than \$500,000 in staff, programming, purchases, maintenance, and/or training.



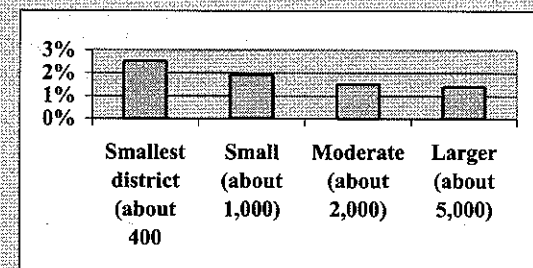
By geography:

Rural districts, in general, had larger gaps between revenue limits and cost-to-continue than urban or suburban: an average gap of 2.0% for rural districts, 1.6% for suburban districts, and 1.3% for urban districts.



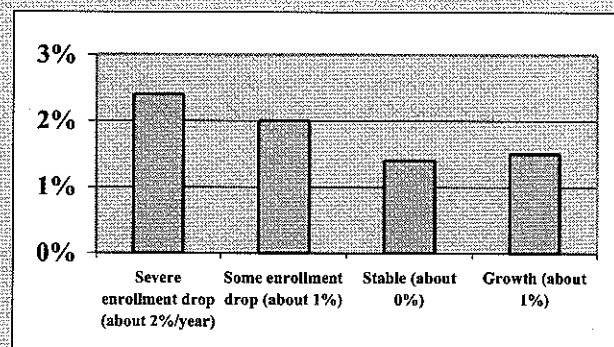
By district size:

Smaller districts, in general, had larger gaps between revenue limits and cost-to-continue than urban or suburban: a gap of 2.5% for the smallest districts (less than 400 students), 1.9% for slightly larger districts (close to 1,000 students), 1.5% for larger districts (about 2,000 students), and 1.4% for the largest districts (about 5,000 students).



By change in enrollment:

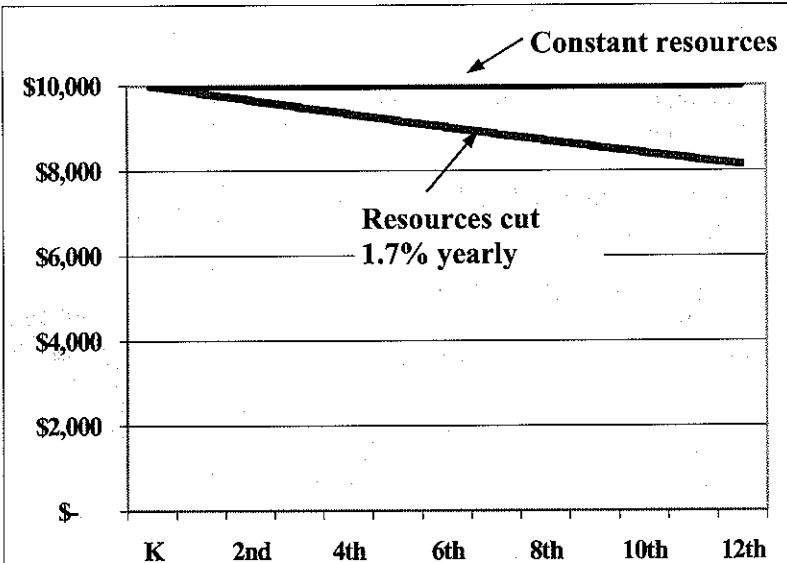
As one would expect, districts with the largest decline in enrollment (during 2000-'04) had the largest gaps: 2.4% for districts with large enrollment losses (about 9% over the 4-year period), 2.0% for district with more modest losses (about 3%), 1.4% for districts with modest enrollment growth (about 1%), and 1.5% for districts with the largest enrollment growth (about 5%).



It's the cumulative effects that matter

Revenue limits have been in effect for a dozen years, causing yearly budget gaps in almost all school districts. These structural deficits are the result of the revenue growth permissible under law being less than the increase in spending needed just to continue one year's programming to the next.

As measured in this survey, the typical gap for Wisconsin school districts is about 1.7%. The chart shows the impact over time of a yearly cut of 1.7% in a cost-to-continue budget. Imagine a 5-year-old who enters a kindergarten which is supplied with \$10,000 worth of resources for him or her. If revenue limits force a 1.7% cut each year, by the time the child graduates from high school, the resources have shrunk to barely \$8,000.



The chart shows how annual cuts of 1.6% drain resources as students move from kindergarten through twelfth grade

Wisconsin needs fundamental school-finance reform

Under Wisconsin's current system for funding public schools, almost every school district in the state will have a yearly negative gap between revenue-limit growth and cost-to-continue growth. For one thing, revenue limits (determined by the Consumer Price Index) grow at less than the 3.8% minimum increase in staff pay and benefits districts must give under the Qualified Economic Offer (QEO) law. Also, most of Wisconsin's 426 districts have declining enrollment, which holds down revenue limits. This reduces schools' capacity to close achievement gaps and satisfy increasingly rigorous state and federal standards, which require schools to have more, not less, resources.

The Institute for Wisconsin's Future (IWF) is a non-profit, non-partisan statewide policy research and community education center. IWF is a partner in the Wisconsin Alliance for Excellent Schools (WAES), a statewide coalition working to replace the present school-finance system with one based on adequacy principles.

For more information,, see the IWF web site (www.wisconsinsfuture.org) or contact Research Director Jack Norman at 414-384-9094 or jnorman@wisconsinsfuture.org.



INSTITUTE FOR WISCONSIN'S FUTURE
policy research in the public interest

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Senate Education Committee

Hearing on Senate Joint Resolution 27

Thursday, Nov. 15

Room 411S State Capitol

Testifying for the Wisconsin Alliance of Excellent Schools are the following:

- | | |
|-------------------------|---|
| 1. Ruth Page Jones | Project ABC-Waukesha president |
| 2. Nancy Ketchman | MacDowell Montessori School (MPS) PTA member |
| 3. Jill Gaskell | Pecatonica PTA member |
| 4. Ashley From | Florence County School District student |
| 5. Katie Malinowski | Florence County School District student |
| 6. Dean Ryerson | Port Edwards School District superintendent |
| 7. Bonita Basty | Birchwood School District bookkeeper |
| 8. Jeff Spitzer-Resnick | Disability Rights Wisconsin managing attorney |
| 9. Rita Simon | Wisconsin Association of School Nurses |
| 10. Dan Brereton | Florence County School District school board president |
| 11. Jack Norman | Institute for Wisconsin's Future research director |
| 12. John Simonson | University of Wisconsin-Platteville retired economics professor |
| 13. Roxanne Starks | Wisconsin PTA president elect |
| 14. Janet Kane | League of Women Voters of Wisconsin Education Committee chairperson |
| 15. June Weisberger | League of Women Voters of Dane County member and senior citizen |
| 16. Randy Kunsch | Phillips School District educator and Price County Citizens Who CARE member |

Wash. D.C. 20540

Mr. J. Edgar Hoover

U.S. Department of Justice

Washington, D.C. 20535

Dear Mr. Hoover:

I am writing to you regarding the matter of the

investigation of the

activities of the

Communist Party

in the United States.

I am sure that you are

very interested in this

subject and I am sure

that you will find this

information of interest.

I am sure that you will

find this information of

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information of interest.

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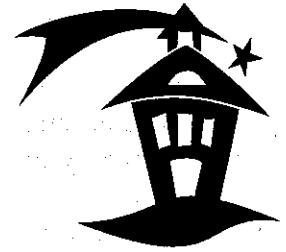
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that you will find this

Ruth Page Jones
W251 S4386 Oak View Drive
Waukesha, WI 53189
262-521-2788
rpjones@ameritech.net



Wisconsin Alliance
for Excellent Schools

Good morning. My name is Ruth Page Jones, I am a parent from Waukesha, President of Project ABC, a local school advocacy group, and interim President of Wisconsin Alliance for Excellent Schools, WAES, a statewide grassroots organization dedicated to promoting excellent schools

I am so pleased to be here today, so pleased that you have heard our pleas for school funding reform and that you are finally getting down to the hard work of developing a new plan.

As you look around this room today, you will see a grassroots movement come to life. The people before you came from Waukesha and Oconto and Milwaukee and Madison and Florence, Pecatonica, Sturgeon Bay, Birchwood, Phillips, Kettle Moraine and elsewhere. We are parents and grandparents who came today to show our level of commitment and passion to Wisconsin's children and our state's future.

It is time to trash the current "Going out of Business Plan" that you crafted for schools 15 years ago. It is time, it is past time for a new "Kids First Business Plan" that helps all kids in all communities. Wisconsin needs a plan whose primary purpose is to educate children. Investing in education is the best, most effective use of state funds to ensure a thriving economy and a great future for the state of Wisconsin.

The current funding formula has forced schools throughout this state to cut valuable programs and eliminate opportunities for children.

Districts have already fired administrators, delayed maintenance projects, slowed down textbook adoption, reduced technology and site budgets, cut extra-curricular programs, and found efficiencies to reduce costs in utilities and transportation. And now in the last few years, for many schools, all that is left to cut are teachers. There is something drastically wrong with a system that forces schools to fire great teachers who are successfully helping children.

Let me tell you about my own school district, Waukesha. Last year the formula forced the firing of elementary school guidance counselors and librarians and the elimination of our gifted and talented program. The district increased class sizes at every level for the second time and cut back on our award-winning music program. What logic dictates that a school must cut the very programs that make them successful?

My friend Mary's daughter is in a freshman English class with 41 students. Teachers are reducing 3 page writing assignments to one page so they have time to correct and provide feedback.

Classrooms were so overcrowded, children were sitting on the floor at the beginning of the school year.

My son broke his foot in gym class 4 weeks ago playing soccer with 47 kids in a class with one teacher.

My friend Ronda's 7 year old daughter started school this fall in a class with 36 kids. She can go to the library once a week for an hour but she can't bring any books home because there is no librarian in her school.

The art teacher at my friend Stacey's school ran out of her supply budget in October. The PTO in this school with modest income parents doesn't have extra funds, the teacher has already spent too much of her own money. I guess this art class will just have to make do.

My heart breaks for the bright but struggling 8 year old boy sitting in the principal's office for disruptive classroom behavior. Last year he was an eager and engaged learner, benefiting from gifted and talented programming, a helpful librarian, a teacher with a manageable class size - and a guidance counselor to listen and advise. In just one year, that support structure was slashed, and now when he acts-out, no doubt due to boredom, he is sent to sit in the principal's office. What a terrible waste of potential!

The funding formula will force Waukesha to cut another 60 teachers next year, and on and on until you, the people we elect fix this mess. The Waukesha school board may very soon be forced to take the Florence vote - the vote to dissolve because the school district can no longer guarantee an adequate education to its students.

And as you will hear today, the Waukesha story isn't the Waukesha story, it is the Oconto story and the Sturgeon Bay story and the Kettle Moraine story and the Madison story. It will only get worse.

At this point in time, communities have exhausted all local remedies. Referendums especially are a lousy option that tears apart communities. Cuts have gone too far - there are no more 'efficiencies' that still preserve educational integrity

You, our legislators, have the power to change this law. You, or those who are elected to replace you, are the only ones who can remedy this situation.

We ask you to develop a new funding system that meets the criteria of SJR 27. We need it now! Please listen carefully as people testify today from around the state. The people who follow me will passionately and eloquently explain how the current 'Going Out of Business' plan is failing us all and they will share their ideas about ideas for a new plan that puts Kids First.

Properly funding public schools is the very best investment we can make for the prosperity of everyone in our state now and in the future.

Nancy Ketchman.
104 W. Reservoir Avenue
Milwaukee, WI 53212
414-265-3306
ketchman@sbcglobal.net



Wisconsin Alliance
for Excellent Schools

Dear Wisconsin Senate Education Committee:

I am appearing before you to support Senate Joint Resolution 27. I am representing the PTA of MacDowell Montessori School (Milwaukee Public School) and WAES.

Background

My husband and I have two sons, both of whom attend Milwaukee Public School's MacDowell Montessori School. I am also an active volunteer at my sons' school. While there are many successes in our school – and my sons are thriving at MacDowell – there are many situations that cannot be solved by teachers and parents. These are problems directly affected by the budget.

Here are some examples that I have observed both at MacDowell and at other MPS schools in the past year:

- Budget cuts made it necessary this year for MacDowell to choose between eliminating a classroom or the assistant principal position. We eliminated the assistant principal.
- Budget cuts made it necessary to cut a teacher position last year, resulting in the elimination of one classroom and hence more crowding in the remaining classes.
- Our library lacks decent seating and there is only one piano bench for four of the school's pianos. Because the budget doesn't provide enough to replace these and other items that enhance our student's educational experience, we've requested these in our PTA newsletter "Wish List," hoping that some enterprising parent will find items at a rummage sale.
- Without the financial support of the PTA, our K3-K5 students wouldn't be able to afford the transportation costs for one annual trip to the Milwaukee County Zoo.
- At Milwaukee's Riverside High School, I observed few working clocks in the hallways and classrooms.
- At Milwaukee's Washington High School this past month, I observed several broken exit signs, with only a red box indicating that this was an exit.

In addition, our school (and many others in Milwaukee) deal with issues that more affluent communities do not: poverty (79% of MacDowell students qualify for free or reduced lunch and breakfast); a high percentage of low-income, single-parent families, many of whom work multiple jobs or do not own a car making it difficult for them and their children to participate in after-hour activities; and a greater percentage of students with special education needs. These are all factors that make educating a student at our school more difficult and more expensive than educating a student in more affluent communities.

On an even more personal level, I've seen my own city neighborhood become a revolving door of sorts for young families. It's become a bit of a standing joke that my husband and I don't get too close to anyone with kids until their children reach the age of 6 and their parents haven't moved away because of

the schools. But it's not funny. We've lost many fine families because of the "school" issue. And I can't blame them, especially when they see how hard MacDowell parents and other MPS parent groups have to work just to get the basics to our children. In more affluent communities, students receive – as a matter of course – a level of education (classroom size, teacher expertise, financial support, and physical environment) that students in MacDowell can only dream of. How hard would you work to ensure your child and their classmates have working clocks, properly trained and enthusiastic teachers, and working soap dispensers? It is an ongoing, relentless task. None of my suburban friends and relatives work as hard as my fellow MPS parents do to provide their children with the environment suburban parents take for granted: bright, well-lit classrooms; enthusiastic teachers; and extra-curricular activities. Nor do they struggle with issues of poverty, unemployment, and other social problems that make educating children in my community more difficult.

Support for SJR27

It's for that reason that I support SJR27. The community – and the state – must fund schools based on the actual cost of educating children in particular communities rather than some blind, universal formula that doesn't take into consideration specific circumstances that result in higher costs. School districts such as mine have vastly different populations and needs than more affluent, homogenous districts. Yet, the funding formula is the same.

We all know that education is the path to future success – as an individual and as a community. When you look at what makes a desirable community, number one on the list is the quality of the school system. But what makes those school systems so effective is that they are sufficiently funded. In Milwaukee, our public school system is not sufficiently funded.

I urge you – as legislators, as community leaders, and as parents – to take responsibility for the education of all of our children, not just those fortunate enough to have born into the right circumstances. Blaming the failure of our public schools on "bad families" or "lousy administration" and hence avoiding making structural changes in our current funding system is too easy. Please, accept this challenge and take action **now**. Our community's current and future social, economic, and political health depends on it.

We need your help. Please support and pass SJR27.

Sincerely,

Nancy Ketchman
104 W. Reservoir Avenue
Milwaukee, WI 53212
414-265-3306
ketchman@sbcglobal.net

Jill Gaskell
N8731 Sunnyside Road
Blanchardville, WI 53516
608-523-3442
igaskell@tds.net



Wisconsin Alliance
for Excellent Schools

The Pecatonica School District is located in the beautiful rolling hills of southwestern Wisconsin. While it is a wonderful place to live, the economy is shrinking and people are moving to more urban centers. Our school enrollment this year is 456 students. Ten years ago, it was 561. We have lost over 100 students in 10 years, almost a 20% decrease. That loss of students comes when even a steady enrollment means there is not enough funding to make ends meet. The loss of 20% of our students increases that loss of funding to the point that our school is a skeleton of an education system.

This is the same thing that is happening to small, rural, and very necessary school districts all over Wisconsin.

In 1995, we had a wonderful Technical Education program, and a Family and Consumer Education program. They were cut. So we are a rural school district with no programs that teach skills that would be useful to businesses in our own community. The kids graduate and leave.

Today, our school offers one art class that you can take four times. We offer one language, Spanish, one band class, no orchestra, strings or woodwind ensembles, no chorus. One of our students open enrolled to Verona. He wanted a broader curriculum and was musically talented. Verona offers 16 music courses and an AP music class! But he had to drive 50 miles every school day for the additional courses.

We have one semester of Information Technology. We have 4 offerings in English; and for students planning careers in science, engineering or math, we have 3 math classes. Last year we added 2 in-house AP classes.

Our school board has looked at our curriculum and knows that it is very minimal. Where do we cut next? We have 2 school buildings in different towns. We have tried eliminating one principal in the past, but that didn't work, so the position was added back. We are considering a part time superintendent, but superintendent also serves as business administrator and there seems to be plenty of work. Do we cut sports next? Sports is often considered expendable. We have a minimal sports program and cooperate with a neighboring school. Sports is the incentive that keeps some kids in school. It also makes well-rounded students in body, mind and spirit. And, it is the only social activity for youth in our community. If we cut it, how many students will open enroll somewhere else?

We are at a crisis point at Pecatonica—as are scores of other small but necessary districts across the state.. We are not a wealthy district and we were low-spending in 1993. It is not morally responsible to ask people to choose between educating children or paying the bills. But our students are not getting the education they have been promised by the Wisconsin Constitution. The Wisconsin Supreme Court has interpreted the state Constitution to say that “Wisconsin students have a fundamental right to an equal opportunity for a sound basic education. An equal opportunity for a sound basic education is one that will equip students for their roles as citizens and enable them to succeed economically and personally.”

I, and many others in this room, do not believe we are fulfilling that fundamental right.

Study Hall

- I have had two study halls in one semester more than once. I could be taking more classes rather than sitting through two study halls, but because of the school funding, our class schedule is tight and nothing else could fit into my schedule.
- There were between 60-70 students in one normal sized room for one of my study halls last year. This makes it almost impossible to get work done because of the large number of people and the noise level.

High Ropes Course

- We have a High Ropes Course, but the gym class that I am in can't utilize it since the teacher we have comes from the elementary school just to teach our class at the end of the day. She doesn't have enough time in her schedule to be able to setup what she needs to have setup.

Extra-Curricular Funding

- Academic extra-curricular activities are no longer funded by the school. Forensics, Drama and Hi-Q are run by volunteers who hold fundraisers to make these activities go.
- We can't focus on the activities/competitions because we are too busy trying to fundraise at the same time.
- Both the forensics team, drama and speech class were cut from the budget. How are we supposed to learn how to talk in front of other people if neither item is offered at our school?

Spanish 4

- I've been told many times that the minimum requirement for college is 4 credits of Spanish
- We can't have a separate 4th year class because there are only 4 people in the class, and my teacher already teaches 7 other classes, so we share the same class time with the Spanish 3 students.
- My fourth year of Spanish is just a repeat of my third year – the same chapters, the same papers, the same projects as last year
- What's the point of taking Spanish 4 if it's the same thing as last year?

5

To whom it may concern:

Not every person is aware of the financial difficulties schools are facing, but they should be. Even though adults may not think the students are affected by the negative numbers on paper, I believe they are. Throughout high school, students are strongly affected by the difficult scheduling for the classes they want, and sometimes even more for the classes they need.

Before freshman year, every person in my class made a plan with the guidance counselor for their entire high school schedule, but since the end of freshman year, I have never had my schedule according to what I had planned, and I know others' plans haven't worked either. In ninth grade I took Spanish I, but due to being in music classes and taking other courses to advance, I am just now taking Spanish II as a senior. Other classes continue to have conflict with music such as Human Physiology and Physical Education.

As a senior, I am in two semesters of Physical Education because I could not fit it in my schedule, and I could not take Human Physiology at all which means that I am only graduating with three credits of science.

These conflicts happen to many more students who are planning on attending college and want full schedules, but due to scheduling, students end up having one to two extra study halls and are missing out on important classes needed for college. Whether a student wants four credits of Spanish and they only get two, or they want to take Human Physiology and they can't, doesn't matter to a college. A college looks at what courses a student has taken, and not which courses they wanted to take.

I hope that in the future there are ways for schools without the funding to find a way for students to take all the classes they want and need without a problem.

Thank you for your time,

Katie Malinowski

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Wisconsin Atlas of School Finance

Geographic, Demographic, and Fiscal Factors
Affecting School Districts Across the State

Summary Version

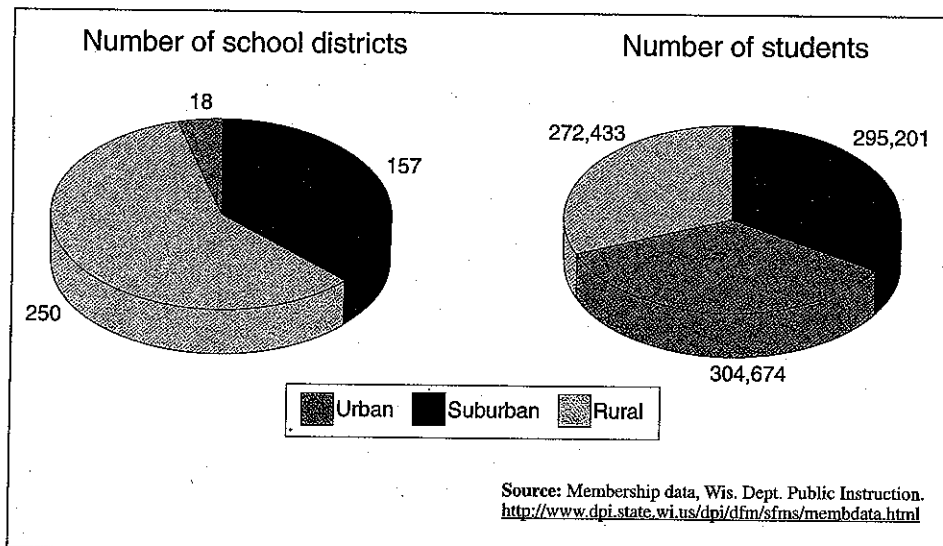


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2004

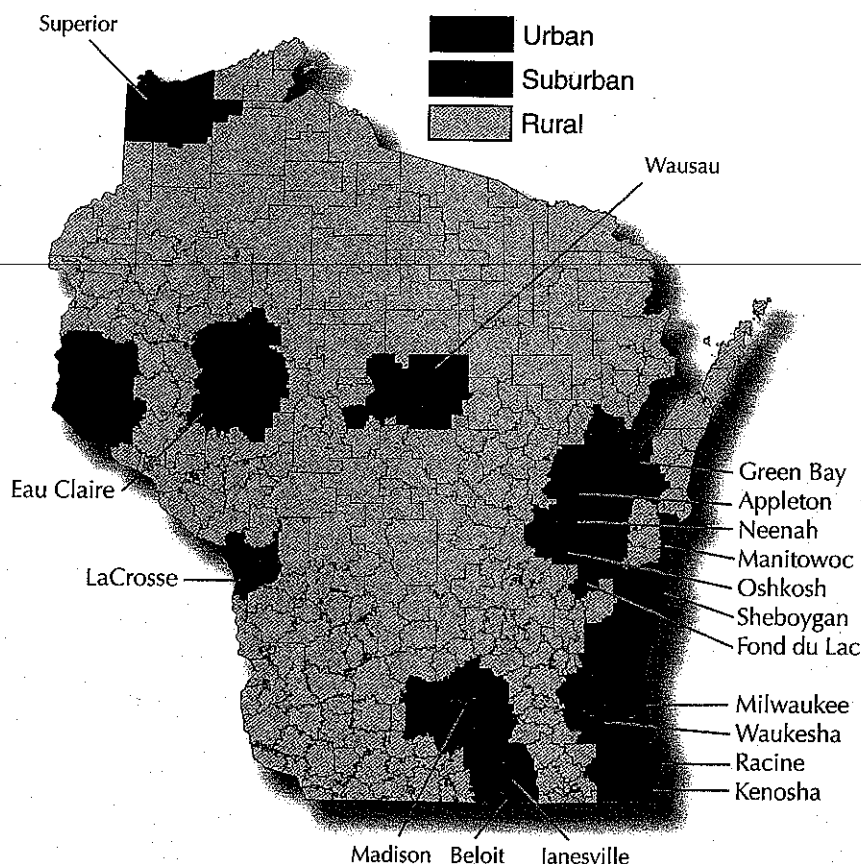
What is an "atlas" of school finance?

This summary of the **Wisconsin Atlas of School Finance** presents an overview of data on urban, rural, and suburban school districts. It compares proficiency and poverty levels among students, as well as property values, tax rates, and state aid levels under the current school-finance system in each type of district. In addition, a section is included on the special factors affecting small rural districts, particularly those in the lake regions of the state.



Why produce an atlas?

Wisconsin policymakers are poised to redesign the state school-finance system. In recent years, however, efforts to improve K-12 education finance have been hampered by conflict among different types of school districts and various regions of the state.

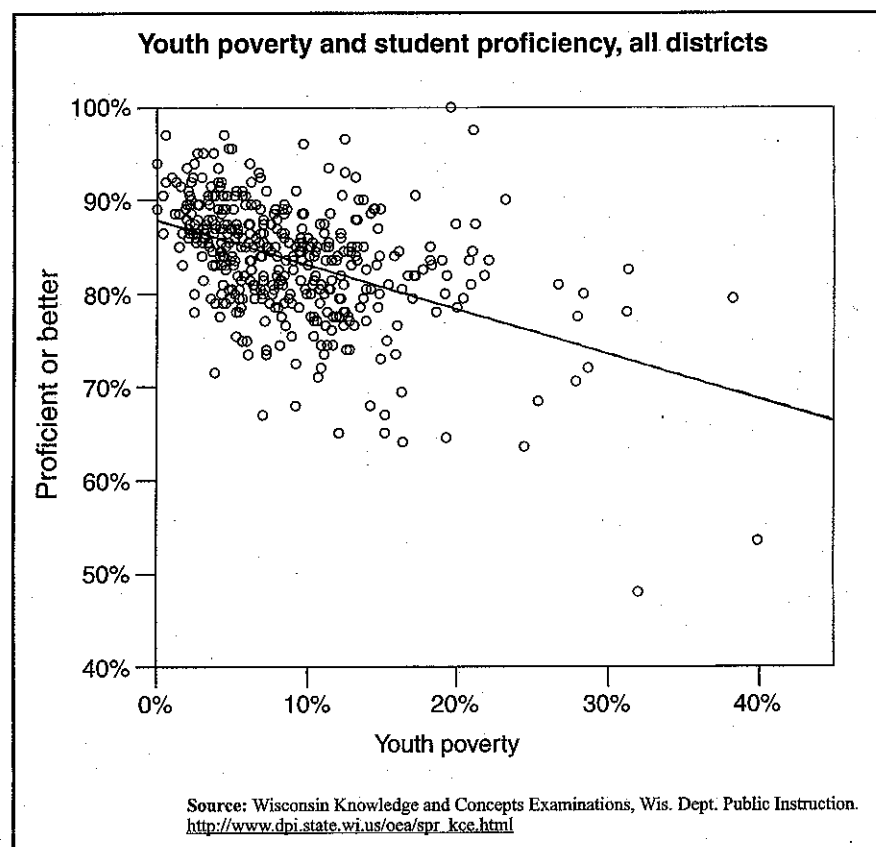


Wisconsin is large and diverse. Too often, geographical misconceptions and stereotypes get in the way of recognizing common statewide interests. An effective school-finance system must work as well for the 200 students in Butternut as for the 100,000 students in Milwaukee. The new finance plan must meet students' needs in suburban Oregon as well as in urban Wausau, in growing Waunakee as well as in shrinking Platteville.

Wisconsin spends about \$9 billion annually on public schools, from four-year-old kindergarten through grade twelve. A new system is likely to determine schools' funding levels for a decade or more.

Over the coming ten years, we will spend over \$100 billion on public K-12 schools. The immensity of that investment requires a review of the data from various kinds of districts to understand the unique impact of various geographic factors. All stakeholders should be able to fully anticipate the effects of any proposed new system.

Student poverty reduces proficiency statewide



Under current state and federal law, the effectiveness of schools and school districts is judged primarily by test scores on state proficiency tests.

Substantial research shows that a major predictor of student proficiency scores is the economic status of the child's family. Put simply: Children from affluent households tend to do better than students from low-income households. This is true in Wisconsin and across the nation.

This graph shows that districts with higher percentages of students at proficiency or better tend to have a smaller percentage of poor students enrolled. As the percentage of poverty increases, the percentage of students at proficiency drops. Each circle is a school district, and the straight line is the trend line showing the strong influence of poverty on performance.

Poverty is concentrated in urban and rural areas

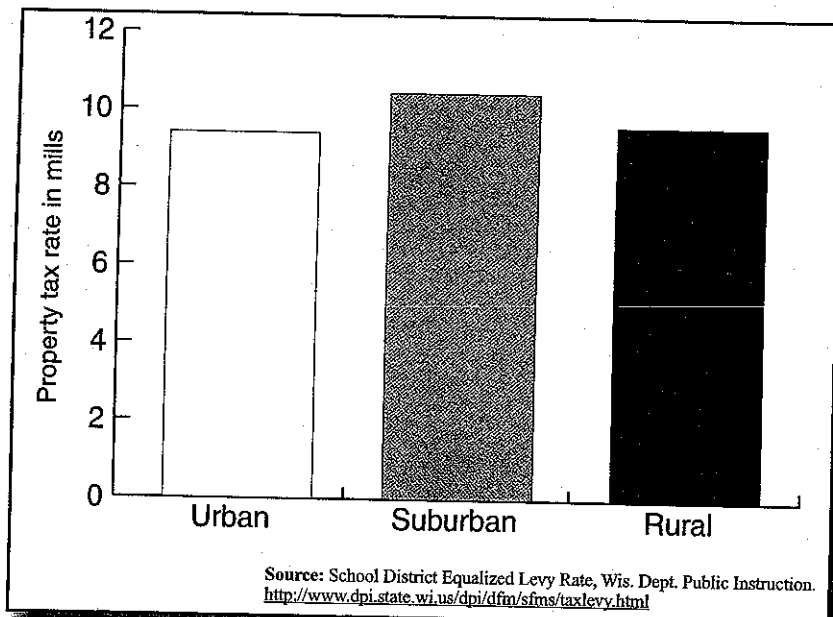
	Median value owner-occupied home	Median household income	Median percentage of youth poverty	Median percentage of students proficient or better
Suburban	\$135,400	\$53,929	4%	87%
Urban	\$96,600	\$41,893	11%	77%
Rural	\$86,700	\$37,960	10%	83%

The median youth poverty rate in rural school districts is 10.2%, more than twice the 4.3% median in suburban districts. In Milwaukee, as well as in the other 17 urban areas, city school districts have significantly higher youth poverty rates than their respective suburbs. Milwaukee's poverty rate is 32% — almost 10 times higher than the 3.5% median among its 41 surrounding suburban districts (though a few suburbs, such as Cudahy and West Allis, have rates around 10%). In the other urban areas, the median poverty rate is 11.1%, compared with their suburbs' median of 4.6%.

Property values, tax rates, and state aid differ by district type

Rural districts have the lowest median home values

One major determinant of total property value in a school district is the value of its owner-occupied housing stock. There is a significant difference in home values among different types of districts. Suburban areas have the highest median home value at \$135,400. In urban areas, the median value is \$96,600. Rural areas have the lowest owner-occupied home value at \$86,700.

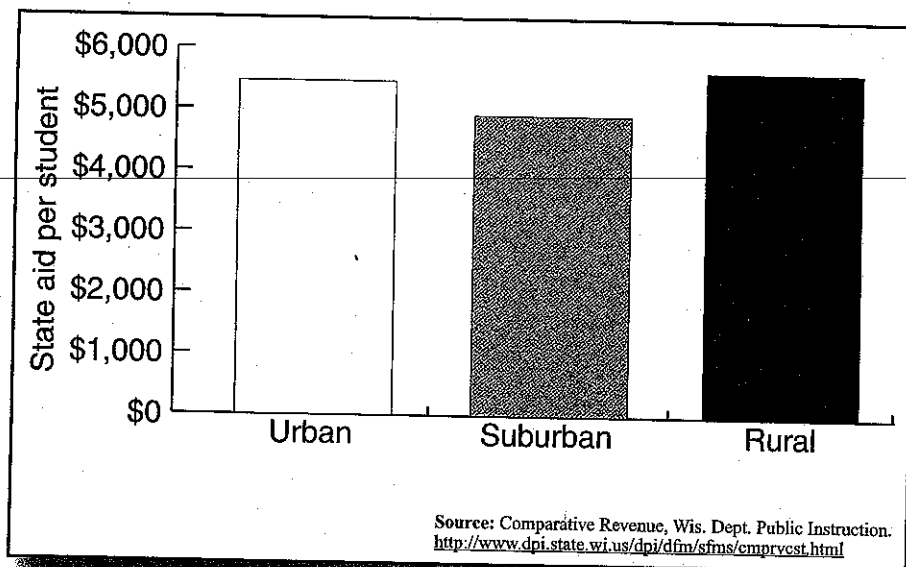


Property tax rates are highest in suburban districts

The median local property tax rate for suburban schools is the highest (10.44 mills). The amount raised per student (\$3,453) is also the highest. Each mill translates into \$1 of tax for each \$1,000 of property value. Median tax rates and property tax revenues per student are \$2,891 per child at 9.40 mills in urban areas and \$2,908 per child at 9.61 mills in rural areas.

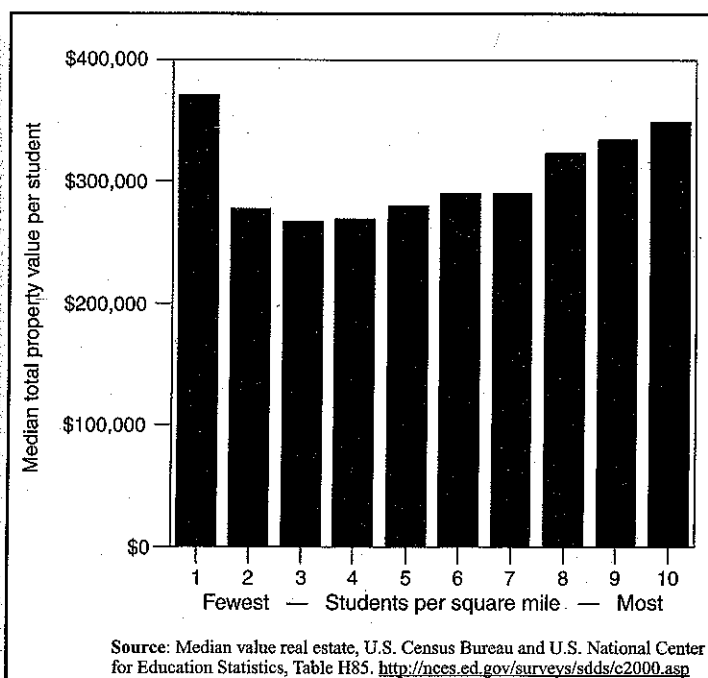
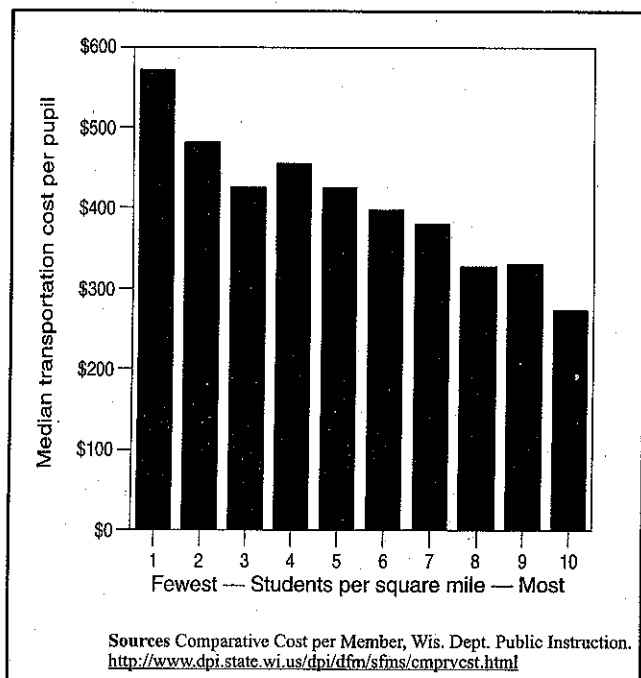
State aid to school districts is lowest in the suburbs

State aid is designed to equalize the spending capacity between low and high property-wealth districts. As a result, districts with higher property wealth per student receive less state aid per pupil than low-wealth districts. This places a greater responsibility on local property taxpayers to generate funding for local education. The median state aid per pupil in suburban districts is \$4,911, below the \$5,461 median for urban districts and \$5,644 for rural districts.



Data for this report are the latest available from the Wisconsin Department of Public Instruction and the U.S. Census Bureau. Youth poverty figures come from Census 2000 - percentage of youth ages 5-17 in a household with income below the poverty level.

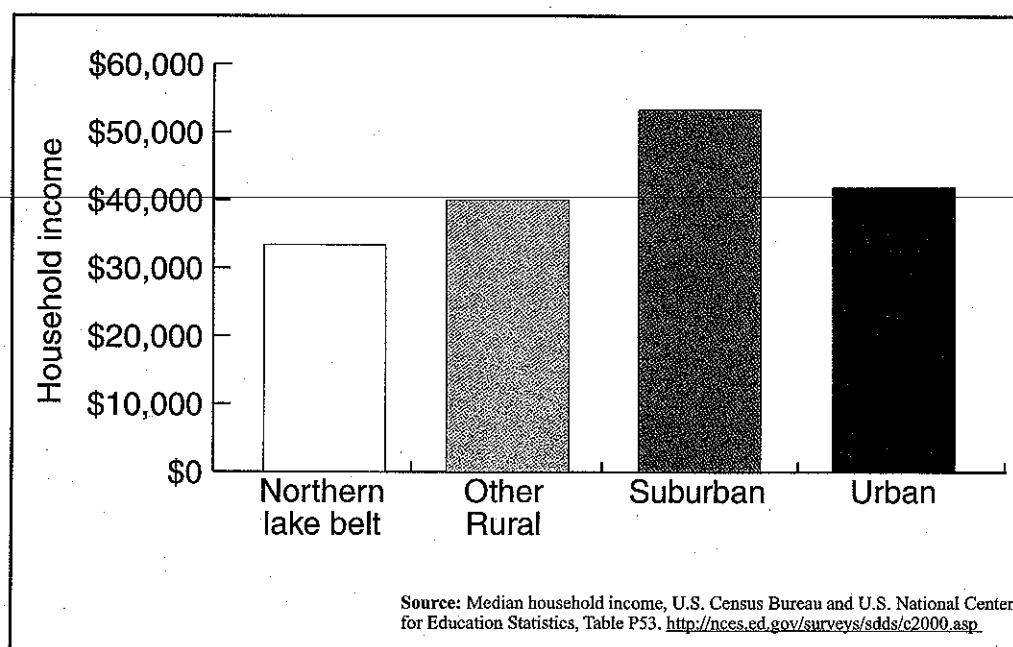
Rural districts face significant challenges



Rural districts usually have low student density—measured in students per square mile—because they cover large areas but have small student populations. In these districts, smaller class sizes drive up per-pupil costs. Busing costs are also high in districts that cover much territory, as seen in the top left chart. But the least dense districts have high property wealth per student, because of recreational lakes, as seen in the top right chart.

The “Lake Effect”

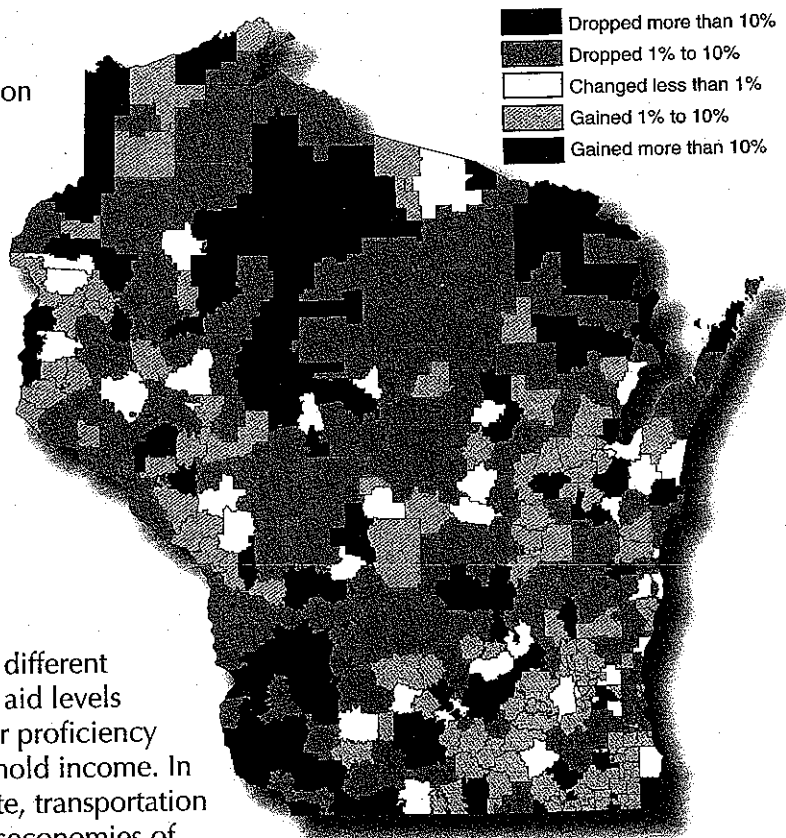
Many rural districts have lakes which impact school finance. In these lake districts, incomes of year-round residents are low and schools face declining enrollments. But per-pupil property values are high because of soaring prices for lakefront property and low student counts. High property value means low state aid. The northern lake belt is a group of 48 districts, stretching across the state, where incomes are the lowest in Wisconsin but per-pupil property values the highest.



Declining enrollment across Wisconsin results in lower funding for schools

Since state aid to school districts is linked to student enrollment, declining enrollment has a major impact on the financial health of districts. In the five-year period between 1997 and 2002, 56% of Wisconsin's school districts experienced falling enrollment. The decline was most prevalent in rural areas, where 68% of the districts lost students, and in urban districts, where 56% experienced a decline. Thirty-eight percent of the suburbs also declined in the five-year period. The suburbs of cities other than Milwaukee are the only group of districts to experience significant enrollment increases.

Enrollment changes 1997-2002



Summary and implications for school-finance reform

Each of the major school district types copes with a different cluster of factors that affect funding needs and state aid levels under the current system. Urban districts have lower proficiency levels, higher youth poverty rates, and lower household income. In rural districts, home values are the lowest in the state, transportation costs are higher, and sparse populations result in diseconomies of scale. Rural lake belt districts have high poverty rates but low state aid because vacation homes inflate property values. In addition, the northern lake belt districts have the lowest median household income and the highest poverty rates in the state. Suburban districts have the highest tax rates and receive the lowest level of state aid. Declining enrollment, which results in lower state aid, is widespread across the state.

A reformed school-finance system must address these diverse circumstances in each district:

- Urban districts require special assistance to improve proficiency levels, especially among low-income students.
- Suburban communities need an aid system that does not penalize residents for their high property tax base.
- Rural districts with diseconomies of scale and high transportation costs require special aid because basic operations are more expensive.
- State aid to lake districts must address the gap between high property wealth and the low income and low home values of year-round residents.
- Redistributing existing K-12 state aid funds will not solve the fiscal problems of urban, rural, and suburban districts. A new infusion of funds is necessary to meet the diverse needs of Wisconsin's 426 school districts and ensure adequate resources to meet state and federal educational standards.

To obtain a full copy of the **Wisconsin Atlas of School Finance**, contact:

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Wisconsin Alliance
for Excellent Schools

Wisconsin Senate Education Committee
 Written Testimony in Support of Senate Joint Resolution 27
 Thursday, November 15, 2007
 10:30 a.m.

Submitted by Dean Ryerson
 Superintendent
 Port Edwards Public School District

Honorable Senators Lehman, Erpenbach, Hansen, Kreitlow, Olsen, Grothman, and Lazich:

It's American Education Week. This year's theme is: "Great Public Schools, A Basic Right and Our Responsibility." That theme is consistent with the Constitution of the State of Wisconsin that requires the state to provide each child with an equal opportunity for a sound basic education.

I'm Dean Ryerson, Superintendent of the Port Edwards Public Schools. Prior to coming to Port Edwards this year, I served as Superintendent of the Wisconsin Rapids Public Schools for 11 years, and as that district's human resources director prior to serving as superintendent. I also served as human resources director in the Middleton-Cross Plains Area School District and as an assistant principal in the Beaver Dam Area School District.

In 2003 I was appointed to Governor Doyle's Task Force on Educational Excellence. As a Task Force member I served on the teacher issues sub-committee.

The Port Edwards School District is one of the 159 school district members of the Wisconsin Alliance for Excellence in Schools due to that organization's commitment to seek change in the current funding formula for public schools.

I submit this testimony in support of SJR-27. Here's why:

It's time to fix a convoluted and out-dated school funding formula. The many changes to the basic formula that have taken place over time have created confusion, inequity, and mistrust.

Confusion. Attempting to explain a 13% levy increase when expenditures are going up 2.83% is one of many confusing aspects we face when speaking to others as when I spoke to our local business association last week. It is difficult to engage our electorate in discussion about school funding when such funding is so complicated to understand.

Inequity. The current budget supports wealthy districts more than poor districts, when the poor districts also serve students with more challenging needs. What's fair about that? While the intent of the formula to equalize funding is laudable, in reality modifications to the formula have created inequities

Mistrust. At a time when school districts are encouraged to collaborate, the funding formula fosters unhealthy competition that can be illustrated by a neighboring school district's billboards that have been erected in our local district. Consolidation is a panacea that will not solve the challenges for small schools. However, funding that encourages collaboration would keep quality educational programs in our small communities along with the pride that comes with small school and community spirit.

Efforts have been made to significantly modify the current formula but to no avail. The Governor's Task Force made recommendations to encourage systemic change. Several recommendations from the Task force have been honored through subsequent budgets including that which was recently enacted. Those recommendations include additional funding for SAGE, increased funding for school breakfast programs, enhancements to transportation funding, additional support for school districts such as Port Edwards for declining enrollment, and the maintenance of funding for 4K.

The Task Force called for a cost-out study that is a basis for what SJR-27 references in a component of the resolution that would provide "funding levels based on the actual cost of what is needed to provide children with a sound education..."

The Task Force also provided insights and recommendations into ways to reduce the burden on property taxpayers through sales tax revenues and other means.

The Port Edwards Public School District is being challenged by the current funding formula in several ways.

Changes in our paper-making industry have resulted in lower equalized values that mean additional costs for property taxpayers.

Open enrollment data (Exhibit A) indicates a gradual shifting of our students to other districts. When I talked with parents of those students this fall I was informed that many chose other school districts because of the additional program opportunities available to adjoining districts with high schools just minutes from our community. While for this year and in the near future our District will continue to compete through our personalized, small district approach, without changes in state funding the Port Edwards School District joins other small schools in facing the long-term future.

Special education funding places significant challenges on small school districts. Services for one high-cost student with severe needs can be crippling to a small district.

Over the last five years the Port Edwards School District expenditures for special education have increased over 24%, in spite of a recent teacher lay-off in this area.

Revenues in special education for the same period have decreased nearly 13% over the same five-year period. As a result, general Fund 10 revenues must make up the difference, putting pressure on regular education program sustainability.

Our district competes very well with neighboring districts on the basis of student performance (Exhibit B), and on our ability to offer personal student service through small class sizes. Yet, due to budget constraints resulting in support staff and professional staff reductions, our ability to maintain this edge is being challenged.

As with other comparable small sized districts our per pupil costs are above the state average. Yet we are trying to economize in several ways. Teacher negotiations in 2003-2005 resulted in the implementation of the 3.8% QEO, resulting in strained labor relations within our district.

For the current school year a vacant high school principal position was not filled. The board reduced the superintendent's position from full-time to part-time.

Employees in both of our labor organizations have accepted changes in health insurance resulting in more cost-effective insurance programs. The teacher union is currently negotiating with the Board on changes in post-employment benefits that could also result in cost savings. As school funding changes are explored, any changes must include a discussion on how benefits cost increases can be contained, meeting both the needs of our employees and of the district's ability to pay.

Our expenditures for this current year are budgeted to increase only 2.83% due to the reductions gained through the efforts noted. Yet, with revenues decreasing by .37%, the district's ability to maintain what it has is seriously being challenged.

This is not about our district not finding ways to economize. This is not about our community's unwillingness to pay more to continue a quality educational program it demands.

Efforts to change the funding formula as expected through SJR-27, if successful, will insure that public education continues to be the driver in economic development that it is widely acknowledged to be.

Efforts to change funding through SJR-27 will support communities such as Port Edwards in providing a quality life for its children in the midst of significant community economic change.

Efforts to change funding through SJR-27 will help districts to meet the numerous unfunded mandates placed on schools by federal and state legislation.

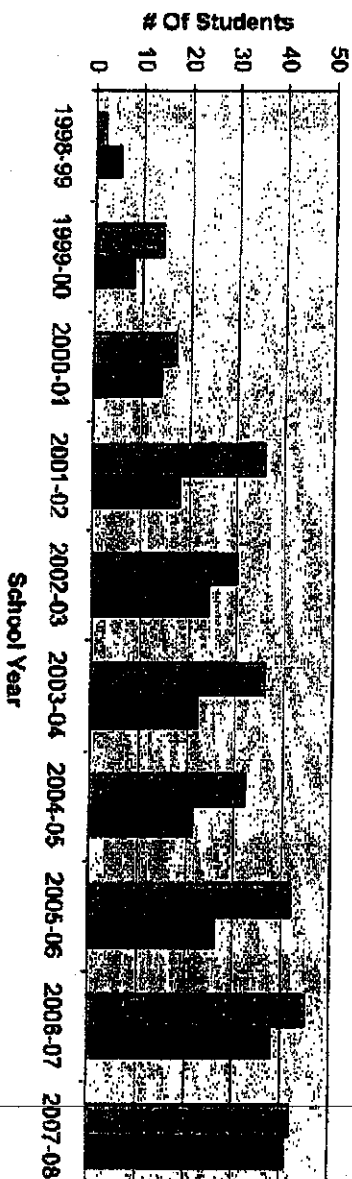
Efforts to change funding through SJR-27 will remove some of the burden of education from the property taxpayer and support a more equal system of taxation and education funding.

Thank you for your efforts to change an outdated and complex school funding formula, and thank you for listening to my comments this morning.

History of Open Enrollment for Port Edwards School District

Total Number of Student Transfers In				Total Number of Student Transfers Out			
Year	Students In	State Aid	Credit	Students Out	State Aid	Debit	Net
1998-99	2	\$4,543.00	\$9,086.00	5	\$4,543.00	\$22,715.00	-\$13,629.00
1999-00	14	\$4,703.00	\$65,842.00	8	\$4,703.00	\$37,624.00	\$28,218.00
2000-01	17	\$4,828.00	\$82,076.00	14	\$4,828.00	\$67,592.00	\$14,484.00
2001-02	36	\$5,059.00	\$182,124.00	18	\$5,059.00	\$94,062.00	\$91,062.00
2002-03	30	\$5,241.00	\$157,230.00	24	\$5,241.00	\$125,784.00	\$31,446.00
2003-04	36	\$5,446.00	\$196,056.00	22	\$5,446.00	\$119,812.00	\$76,244.00
2004-05	32	\$5,496.00	\$175,872.00	21	\$5,496.00	\$115,416.00	\$60,456.00
2005-06	42	\$5,682.00	\$238,644.00	26	\$5,682.00	\$147,732.00	\$90,912.00
2006-07	45	\$5,845.00	\$263,025.00	38	\$5,845.00	\$222,110.00	\$40,915.00
2007-08	42	\$6,043.00	\$259,806.00	41	\$6,043.00	\$247,763.00	\$6,043.00
				Net Total = \$426,151.00			

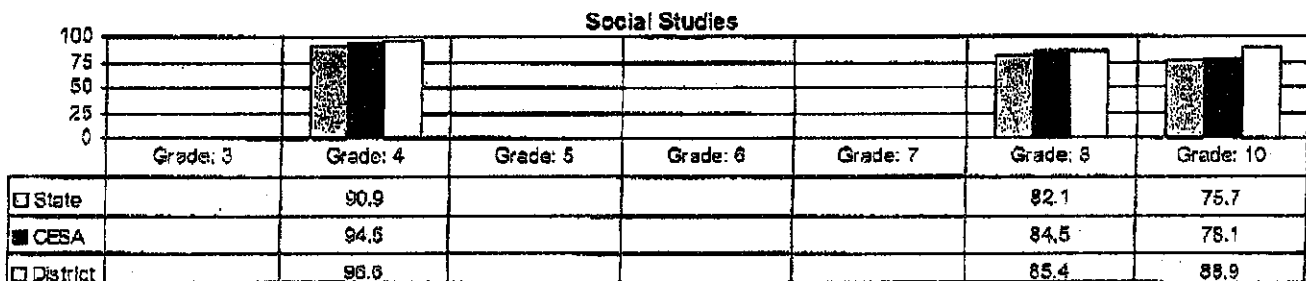
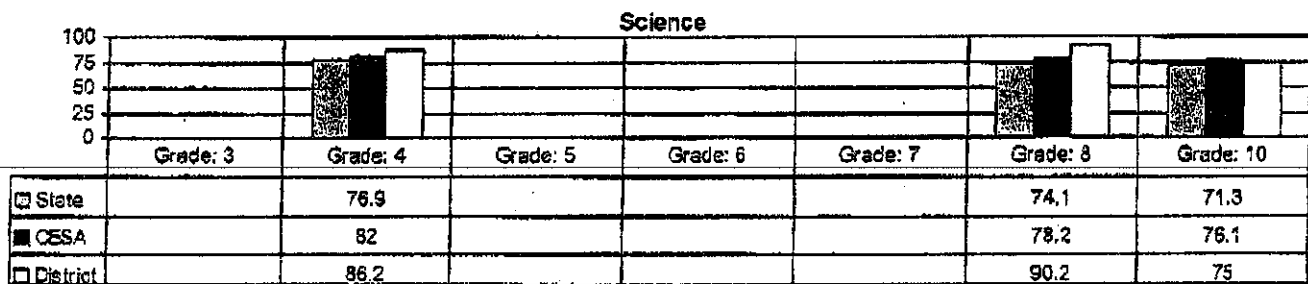
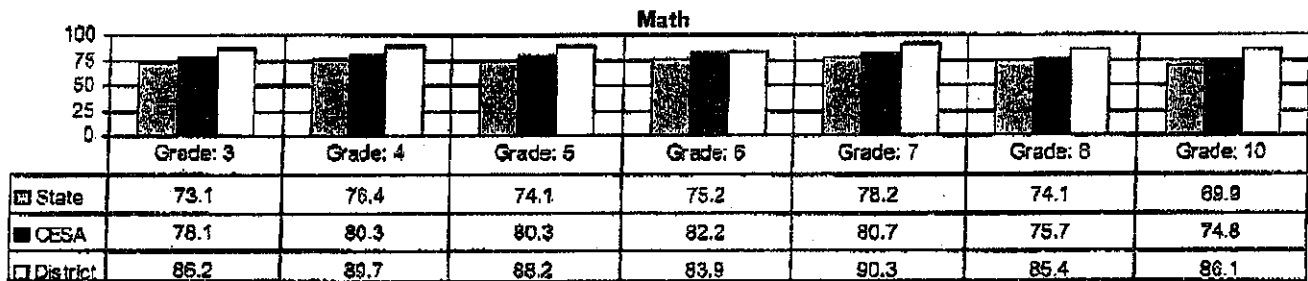
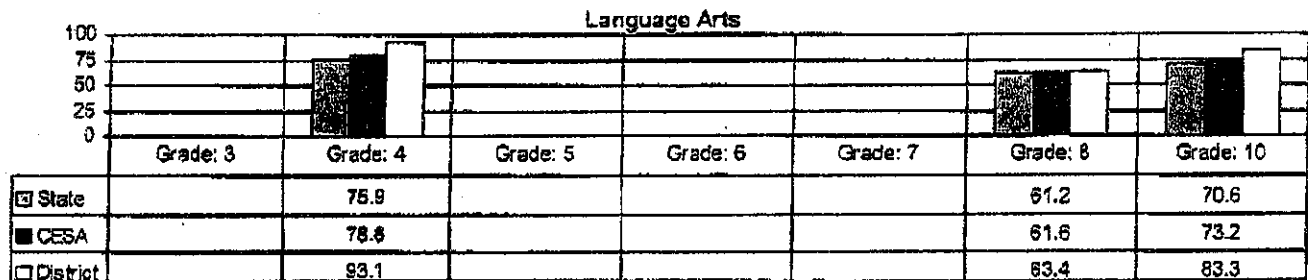
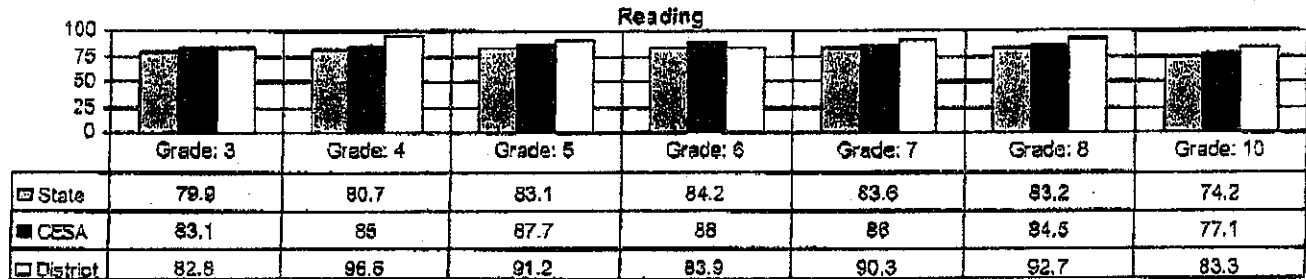
Open Enrollment History



4508 PORT EDWARDS School District State and CESA 5 Averages versus District Scores

2006-2007

WKCE Scores (WAA Scores Are NOT Included)
Percent of Students at Proficient and Advanced Levels





Wisconsin Alliance
for Excellent Schools

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**Wisconsin Senate Education Committee
November 15, 2007**

My name is Bonita Basty. I've been a resident of Birchwood for 33 years, relocating here from Northern Indiana at the age of 14 and entering high school at Birchwood School. At first, this move to a very small rural setting was "culture shock" but I quickly thrived at this small school after being treated as a "person of value" and not just getting lost in the student body as a number. I went on to graduate as Valedictorian of the class of 1978 and along with my husband (my high school sweetheart who had moved to Birchwood from Chicago when he was 14) chose to stay in the community and have our son attend the school we had grown to love. He is now excelling as a senior at UW-Superior.

Birchwood is located in Northwestern Wisconsin. It is one of the more unique school districts in the state because of its continued loss of state aids, its large geographic size, its poverty levels and its academic success levels.

I have seen how funding changes that started in 1992 that had some positive impact through 1997 on our district, have since become a major threat to continuing quality educational opportunities for our students.

In addition, having worked in the school business office for 22 years now, I have experienced first hand the adverse affects of the current school funding formula on our district, both as a taxpayer and one who struggles to balance the budget. As a school we strive to maintain the integrity and value of the successful educational programs I grew up with, plus, meet and exceed the new demands of technology and our students' growth through expanding youth option programs thereby producing exceptional young adults. This is becoming increasingly difficult to accomplish as the 2007-08 school year represents the 11th year in a row that our district has lost 15% of its Equalization Aid because of property value increases largely due to vacation homes on lakefront property. The resulting loss of 80% of this aid had to be shifted to property taxpayers.

Birchwood is unique because it is one of the least densely populated school districts in the state. It encompasses just under 200 square miles and serves 330 students. Of these students, 62% of the elementary school students qualify for free and reduced lunch.

Birchwood is also unique because it is, to our knowledge, the most recognized low-income school in the state for high student achievement. It has received the New Wisconsin promise award at the middle and high school levels for 5 years in a row and at the elementary level for the first four years of the award. Only 7 other districts in the state have had any school qualify for 5 years and we have done it for two schools.

I also need to mention that northern tier schools have a track record of being very successful in spite of an outdated funding system. A disproportional number of these rural and poor districts are being recognized by DPI as New Wisconsin Promise Schools.

In terms of funding reform, for the past several years the school district has supported efforts by the Wisconsin Alliance for Excellent Schools to have funding reform occur. This reform is needed by so many schools to overcome long-term adverse effects that have developed over time.

We support efforts to provide a true costing out of what it takes financially to support a quality education. This quality education needs to be paid for through significant school finance reform.

We are very thankful to the Legislature for recent changes that have been started with the passing of the new State Budget. While not all schools supported the shift of \$79 million in Equalization Aid to a Property Tax Credit, many northern tier district taxpayers benefited because of high property values. For many schools, unless a new aid is a categorical one, there is no positive impact because of our continued mandatory 15% loss in state equalization aid each year. Therefore, we support some additional new education dollars being applied as tax credits.

The Legislature "got it right" when it started to provide Sparsity Aid to a number of schools. Although this categorical aid is not fully funded, we hope that the Legislature sees this as the first step in providing additional funds to help rural districts whose costs are much higher than the state average due to small enrollments.

We also thank the Legislature for providing additional funds for high poverty schools. While we missed out in qualifying for this aid by 5 students, we will qualify in the future if the funding is available for the budget cycle.

There are any number of "Birchwoods" located "Up North." We ask that you please consider the need for true school funding reform. What may have been a good

short-term strategy for funding schools back in the early 1990's has proven to be bad long-term policy for northern rural schools.

We have been a strong supporter of WAES proposals because they address the needs for significant school reform while not creating "winners" and "losers" among school districts.